

REFERENCE TITLE: credit unions; dissolution; technical correction

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2167

Introduced by
Representative Carpenter

AN ACT

AMENDING SECTION 6-585, ARIZONA REVISED STATUTES; RELATING TO CREDIT UNIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-585, Arizona Revised Statutes, is amended to
3 read:

4 6-585. Involuntary dissolution

5 A. The superintendent may forthwith take possession and control of the
6 business and property of any credit union to which this chapter is applicable
7 whenever ~~he~~ THE SUPERINTENDENT finds upon examination or investigation that
8 such credit union has committed one or more of the following violations:

- 9 1. Is in violation of an order issued pursuant to section 6-137.
- 10 2. Is conducting its business in an unauthorized or unsafe manner or
11 in violation of the bylaws of the credit union.
- 12 3. Is insolvent.
- 13 4. Has an impairment of its capital.
- 14 5. Cannot with safety and expediency continue business.
- 15 6. Has suspended payment of its obligations.
- 16 7. Is, through its officers, refusing to submit its books, papers and
17 records of affairs for inspection to any examiner.
- 18 8. Is, through its officers, refusing to be examined regarding its
19 affairs.
- 20 9. Has been examined by its own supervisory committee and the majority
21 of the committee requested in writing that the superintendent take possession
22 and control.
- 23 10. In a proceeding for voluntary dissolution has, through its
24 liquidating agent, failed to make reasonable progress in the liquidation of
25 its affairs and distribution of its assets.

26 B. The superintendent upon taking possession and control of the credit
27 union, its business and operation, together with the furniture, fixtures,
28 books, records and assets of every description, shall determine whether it is
29 practicable and feasible to reorganize the credit union to continue in
30 business or merge the credit union with another operating credit union. If
31 the superintendent determines that the credit union cannot be reorganized, or
32 merged with another operating credit union, ~~he~~ THE SUPERINTENDENT may permit
33 the credit union to operate under ~~his~~ THE SUPERINTENDENT'S direction and
34 control, or if ~~he~~ THE SUPERINTENDENT determines that the credit union should
35 be liquidated through receivership, ~~he~~ THE SUPERINTENDENT shall petition the
36 superior court for authority to liquidate such credit union, and the superior
37 court shall immediately appoint the superintendent as the receiver of the
38 credit union without bond, and shall make such other orders, judgments and
39 decrees as ~~is~~ ARE necessary to liquidate such credit union. The receiver
40 shall take possession of and, for the purpose of receivership, title to the
41 books, records and assets of every description of such credit union, shall
42 proceed to collect all debts, dues and claims belonging to it, may sell or
43 compound all bad or doubtful debts and may sell the real and personal
44 property of such credit union, on such terms as the court may direct.

1 C. Such receiver may sue and defend in ~~his~~ THE RECEIVER'S own name
2 with respect to the affairs, assets, claims, debts, ~~and~~ and choses in action of
3 such credit union.

4 D. The receiver shall hold all records of such receivership for a
5 period of two years after the close of the receivership, and at the
6 termination of the two years, the records may then be destroyed.

7 E. All expenses of such receivership, including reasonable receiver
8 and attorney fees, shall be paid out of the assets of such credit union, and
9 all expenses of any preliminary or other examinations into the condition of
10 any such credit union or receivership, and all expenses incident to and in
11 connection with the possession and control of any credit union office,
12 furniture and fixtures, books, records and assets of every description of
13 such credit union by the receiver for the purpose of reorganization or
14 liquidation through receivership, shall be paid out of the assets of such
15 credit union.

16 F. Notwithstanding ~~the provisions of~~ subsections A, B, C and D of this
17 section, when such credit union is a federally insured state credit union,
18 the court shall first tender the appointment as receiver to the national
19 credit union administration, or any succeeding organization, which is
20 authorized to qualify and act without bond. If the national credit union
21 administration or succeeding organization accepts the appointment, it shall
22 have all of the powers, privileges and duties as such receiver provided by
23 the laws of this state.